

# SENATE BILL No. 184

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## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 25-2.1.

**Synopsis:** Regulation of accountancy. Provides that a firm permit is required for an accounting practitioner working for a client. Provides that a member of the Indiana board of accountancy may not serve more than three complete consecutive terms. (Current law allows for only two consecutive terms.) Provides that penalties are deposited into the accountant investigative fund, and increases from \$750,000 to \$1,000,000 the amount of money that must be in the fund before it reverts to the state general fund. Removes the word "knowingly" from the requirements for civil penalties for violating the licensing law. Allows retired status for certified public accountants, and specifies use of "retired" in the title or designation of certified public accountant or the abbreviation CPA.

**Effective:** July 1, 2014.

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January 8, 2014, read first time and referred to Committee on Commerce, Economic Development & Technology.

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Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

## SENATE BILL No. 184

A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 25-2.1-1-6 IS AMENDED TO READ AS  
2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. "Client" means an  
3 individual or entity retaining a licensee **as a contractor and not as an**  
4 **employee** for the performance of professional services.  
5 SECTION 2. IC 25-2.1-2-4, AS AMENDED BY P.L.190-2007,  
6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
7 JULY 1, 2014]: Sec. 4. (a) A member of the board serves a term of  
8 three (3) years and until the member's successor is appointed and  
9 qualified.  
10 (b) An individual may not serve more than ~~two (2)~~ **three (3)**  
11 **consecutive** complete terms. An appointment to fill an unexpired term  
12 is not a complete term.  
13 (c) All terms expire on June 30.  
14 SECTION 3. IC 25-2.1-4-5 IS AMENDED TO READ AS  
15 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) Except as  
16 provided in subsection (c), to renew a certificate under this chapter an



applicant must complete one hundred twenty (120) hours of continuing professional education during a three (3) year period with a minimum of twenty (20) hours each year.

(b) The board may prescribe the content, duration, and organization of continuing professional education courses that contribute to the general professional competence of the applicant.

(c) If a licensee desires to discontinue the practice of accountancy in Indiana, the licensee may select inactive **or retired** status on the renewal form. A licensee selecting inactive **or retired** status may renew a certificate under this chapter without completing the continuing professional education courses required by subsection (a).

(d) The board may establish the following:

(1) Prorated continuing professional education requirements to be met by applicants whose initial certificates were issued substantially less than three (3) years before the renewal date.

(2) Special lesser requirements to be met by applicants for certificate renewal whose prior certificates lapsed substantially before their applications for renewal or for an inactive licensee who wishes to reactivate the licensee's license, when it would be inequitable to require a full compliance with all requirements of continuing professional education that would have been applicable to the period of lapse.

SECTION 4. IC 25-2.1-5-0.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: **Sec. 0.5. A firm permit is required by a practitioner working for a client.**

SECTION 5. IC 25-2.1-8-4, AS ADDED BY P.L.190-2007, SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) The accountant investigative fund is established to provide funds for administering and enforcing the provisions of this article, including investigating and taking enforcement action against violators of this article. The fund shall be administered by the Indiana professional licensing agency.

(b) The expenses of administering the fund shall be paid from the money in the fund. The fund consists of:

(1) money from a fee imposed upon a person who holds a certificate as an accounting practitioner, a CPA, or a PA under IC 25-2.1-2-12(b); **and**

(2) civil penalties collected under IC 25-2.1-13-3(b); **and**

**(3) civil penalties collected under IC 25-1-11-12.**

(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same



manner as other public money may be invested.

(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund. However, if the total amount in the fund exceeds ~~seven hundred fifty thousand dollars (\$750,000)~~ **one million dollars (\$1,000,000)** at the end of a state fiscal year after payment of all claims and expenses, the amount that exceeds ~~seven hundred fifty thousand dollars (\$750,000)~~ **one million dollars (\$1,000,000)** reverts to the state general fund.

(e) Money in the fund is continually appropriated to the Indiana professional licensing agency for its use in administering and enforcing this article and conducting investigations and taking enforcement action against persons violating this article.

(f) The attorney general and the Indiana professional licensing agency may enter into a memorandum of understanding to provide the attorney general with funds to conduct investigations and pursue enforcement action against violators of this article.

(g) The attorney general and the Indiana professional licensing agency shall present the memorandum of understanding annually to the board for review.

SECTION 6. IC 25-2.1-12-4 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) An individual may not use the title or designation "certified public accountant", the abbreviation "CPA", or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant unless the individual:

- (1) holds a valid CPA certificate;
- (2) meets the substantial equivalency standards of this article; or
- (3) is an employee of a firm holding a permit under IC 25-2.1-5 and has not been an employee long enough to meet the experience requirement under IC 25-2.1-3-10 for a certificate.

(b) A licensee who has selected inactive status on the licensee's renewal form may not use the title or designation "certified public accountant" or the abbreviation "CPA" unless the title, designation, or abbreviation is immediately followed by the word "inactive".

**(c) A licensee who has selected retired status on the licensee's renewal form may not use the title or designation "certified public accountant" or the abbreviation "CPA" unless the title, designation, or abbreviation is immediately followed by the word "retired".**

SECTION 7. IC 25-2.1-13-3, AS AMENDED BY P.L.190-2007, SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 3. (a) An individual or a firm who knowingly



1 violates IC 25-2.1-12 commits a Class A misdemeanor.  
2 (b) If the board finds that an individual or a firm ~~knowingly~~ violates  
3 IC 25-2.1-12 or a rule or order established by the board under this  
4 section, the board may impose a civil penalty of not more than  
5 twenty-five thousand dollars (\$25,000) per violation. Penalties  
6 collected under this section shall be deposited in the accountant  
7 investigative fund established by IC 25-2.1-8-4.

